

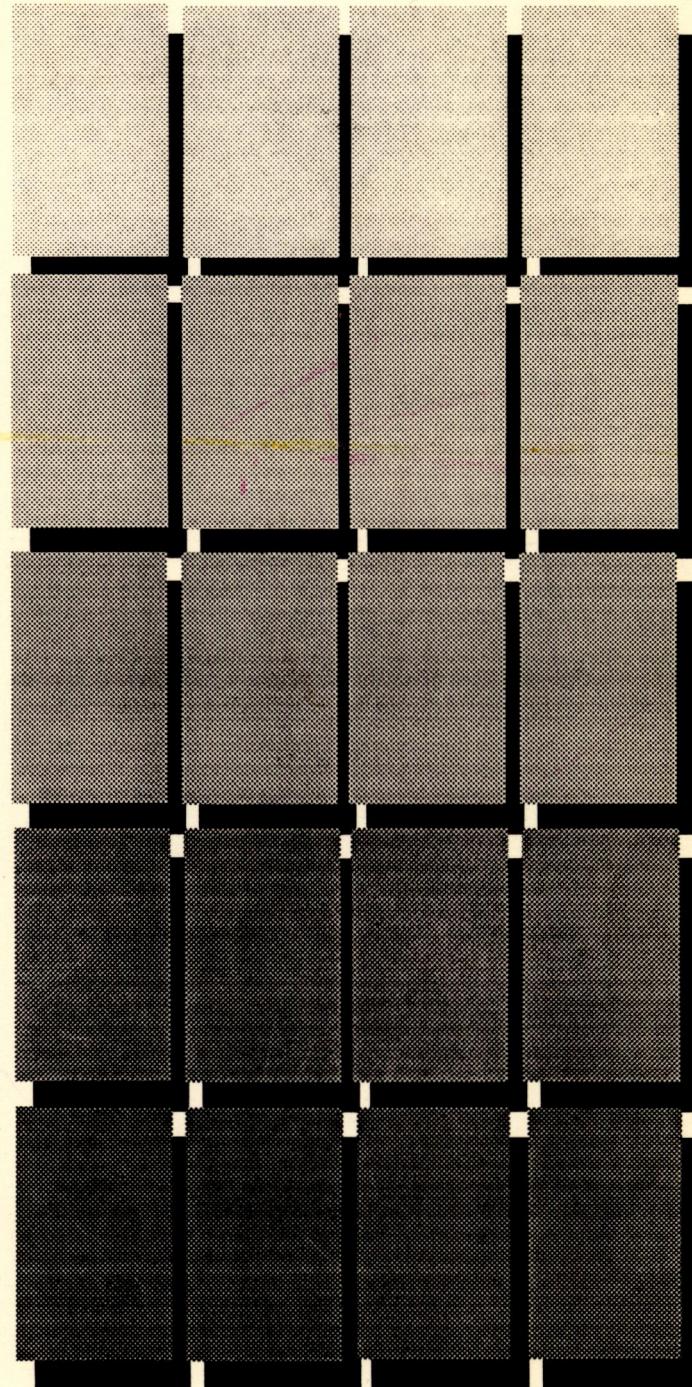
HJ  
9801  
E93  
1991  
V. 2

United States  
Department of  
Agriculture  
Forest Service



# Excellence in Forest Service Financial Management

## Appendices



**EXCELLENCE IN FOREST SERVICE  
FINANCIAL MANAGEMENT**

---

**APPENDICES**

---

**TABLE OF CONTENTS**

HISTORICAL BACKGROUND	1
CURRENT SITUATION	4
DESIRED FUTURE CONDITION	10
IDENTIFICATION OF BARRIERS	13
CURRENT OPERATIONS	15
INFORMATION COMPONENT	17
ORGANIZATION COMPONENT	22
TRAINING COMPONENT	40

## Historical Background

## HISTORICAL BACKGROUND

Financial management has been a responsibility of the Agency since the beginning days of the Forest Service. Very early in the Agency's history, the Secretary of Agriculture directed the Chief to set up a "Fiscal Agent" position and authorized the Agency to assume direct responsibility for its funds. From a simple beginning, financial management has evolved into a complex funding and financial business, arranged to serve the complex Agency process.

Through the 1950's and 1960's, the Agency applied financial controls at the Regional Office and Station Headquarter levels. Each Region/Station had its own accounting system, an independent operation which produced unit and Regional financial reports and processed all payment and collection activities for the Region. In addition, these locations interfaced with the Treasury Department's program of collections and payments for upward level reporting.

By the early 1960's, most financial activities had been automated, utilizing mainframe computers at each Region and Station Headquarters. Accounting information became very structured and controlled to meet upward reporting requirements. Emphasis was placed on preventing financial violations of the "law" by controlling payments to ensure regulation compliance: the use of correct accounting code combinations; compliance with reprogramming guidelines; enforcement of congruency between fund usage and fund intention; and enforcement of the Anti-Deficiency Act. These changes created a fiscal organization focused on meeting the Treasury Department's requirements on an operational level and providing fiscal interpretations for controlling management's use of funds.

At this time fiscal interpretation merely meant the Agency provided a limited array of monthly unit financial statements. These statements provided management with obligation-based financial data. The figures were needed for budget control and monthly payment, as well as collection information needed for transaction control. Unfortunately, financial management information and program information related to Ranger District or research project locations was nearly non-existent.

As the Agency progressed through the 1960's and into the 1970's, two important events occurred which ended independent financial information processing at the Regional level. First, the Agency grew from small to mid-size. In just a few years, budgets increased dramatically and the appropriation structure became more complex, creating a demand for an increased workforce, double in size. The structural change, and the growing number of employees, produced a need for detailed information at the subunit and project levels that the Regional and Station mainframe computers could not meet.

The second change began with the evolution of payroll from a simple payment system to one with many complex payment rules. The Agency, rather than trying to maintain the complex programs for payroll at each Region and Station level, began moving payroll operations to a single department computer operation. By 1968, the Management Data Service Center at New Orleans, LA (now the National Finance Center) processed all payroll for the Forest Service except for casual firefighters. From this point on, the practice of having a single mainframe computer center process payments grew. By 1975, the National Finance Center essentially processed all payments and collections, as well as directing all external reporting.

Functions previously performed independently at the Region and Station levels, for either upward or internal reporting purposes, could become centralized.

Starting in the mid 1970's, accounting operations and fund availability interpretation traveled a path similar to payroll. Like payroll, accounting operations moved to the National Finance Center. Also, a more liberal basis developed in the appropriation and management acts governing the Agency's funding activity. These liberalizing changes obviously had a direct effect on fiscal interpretation. The Agency began to re-examine the funding needs of Forest Service managers. In both areas, noteworthy financial management changes occurred.

Accounting operations changes began with the increase in demand for subunit and project level financial information. This increase was addressed through implementation of PAMARS in the last half of the 1970's. This was the first major effort to recognize, on a national level, management's needs for financial information below the accounting center level. By the early 1980's, PAMARS was being viewed as inadequate because it could not include up-to-the-minute information; data received 25 days after the reporting period was not accurate. PAMARS was structured around budget controls and analysis of data was limited because only structured reports were available. During the years following the implementation of PAMARS, a considerable effort was made to make reports more accurate. Subsystems were created to facilitate the retrieval of information from NFC via NCC-FC. The majority of these subsystems were successfully implemented. However, they were far from being user-friendly and many required excessive maintenance to accommodate change.

Eventually the National Information structure was designed for management to deal with detailed information. The NI structure allowed access to information on work activities instead of limiting the scope to budget constraints. Following this came the development of "remote access" telecommunications and the establishment of an NFC accounting data base accessible by the Forest Service. This gave managers the ability to obtain more timely reports, to query information, to use the accounting data base for analysis, and to input payment and collection information electronically. However, these FY 1988 changes have proven to be insufficient because of relative monthly accounting cycles, structured formats of reports, poor telecommunication linkages, and inability to link other data bases with the accounting data base. Furthermore, many of the people who understood how the accounting information system operates are no longer employed by the Forest Service. Today there are fewer people available who understand how to obtain and interpret accounting data correctly in a distributive processing environment.

Fund availability standards evolved in the late 1960's from interpretations based on a "control" standard; an action was legal only if specifically allowed by law or regulation. By the 1980's, the interpretation of this standard had changed. An action was now deemed legal if allowed by law or regulation, or if not specifically prohibited by law or regulation and was needed for carrying out the mission of the Agency, as determined by a line officer. The perennial change in the development and use of appropriation language allowed for broad program interpretations by line officers, rather than traditional fiscal interpretations. Management became more comfortable with the new standards.

Those who adapted best to this change appear to be the ones who, early in the decision making process, provided advice and recommendations to management, guiding the development of broad appropriation language. In the development of management guidelines, the emphasis shifted from "control" to "standards".

## Current Situation

## CURRENT SITUATION

It is clear that the Forest Service needs to improve its financial management. Financial management today in the Forest Service does not exhibit the characteristics and accomplishments of a well-managed organization. It does not meet current GAO standards nor the needs of individual financial managers at the various organizational levels. This threatens Forest Service credibility with the Department, the Office of Management and Budget and the Appropriations Committees, on whose goodwill our success in addressing the Forest Service missions is dependent.

The 1988 deficit in the NFS and Job Corps accounts is one indication of this situation. This was a problem with potentially severe legal consequences. More importantly, the deficit was a manifestation of fundamental problems. Review of the 1988 deficit indicated there were communication problems and fund usage misunderstandings in relationship to the national pilot program efforts; there was inordinate management risk-taking in authorizing more to be spent than was available; there were managers who relied on others to cover their deficits and who did not give the proper attention to financial projections. All of these factors contributed to the deficit. (See Attachment 1.)

The current lack of quality and reliability of the financial information, upon which individual managers at all locations must base decisions, is another important problem affecting Forest Service financial management. Financial statements are almost universally questioned, errors exist, and in some instances there is difficulty in correcting errors in the system. Many Forest Service units are not giving adequate attention to maintaining and monitoring accounts in a timely manner.

At many locations management is not actively involved in financial decision making. Financial decisions, appropriation use interpretation, and reprogramming efforts are being pushed to, and sometimes beyond, legal limits by management philosophies and funding constraints.

A large number of perceptions were uncovered through research done during the "Barriers" phase of this study. (See Attachment 2.) Examined together, they describe widely held views regarding the major underlying causes of our current situation. They are:

1. **Lack of management's commitment to financial integrity and management** The organization is perceived to place a far higher priority on achieving output targets than maintaining financial integrity. There is no accountability for poor performance, nor are there rewards for excellent financial management.
2. **The current financial information system does not have a high degree of reliability as it does not provide accurate or timely information.** The appropriation and funding structure is complex, as is the new central accounting system, which is responding to the complex appropriation and budget line item structure. The accounting system is new. Knowledge and skill levels in understanding and using the system vary from extremely low to adequate throughout the Service.

3. Line managers and many financial management specialists lack a working understanding of financial management due to lack of training, complexity of the system, and detrimental attitudes. There has been a significant reduction in the number of trained financial specialists in key positions within the Service. In many locations, the current work force can no longer compensate for the aforementioned shortcomings.

The USDA Office of the Inspector General (OIG) has recently completed an important audit entitled "Forest Service Monitoring of Deficit Unobligated Balances". This review identified many of the same problems. The OIG recommendations are summarized in Attachment 3.

While current financial management is not meeting professional standards, additional demands are being placed on the information system and the employees who use it. While these additional demands are deemed necessary to help respond to Congressional and public concerns, they do increase the complexity of the task and require the time and effort of already burdened financial management personnel. Additional demands include:

- Development of a timber sales cost accounting system, Timber Sales Program Information Reporting System (TSPIRS), in consultation with GAO. Development was undertaken in response to pressure from the Interior and Related Agencies Subcommittee of the House Appropriations Committee.
- Development of a similar cost accounting system for all resources called All Resources Reporting (ARR). The House Subcommittee has asked for such a cost accounting system to be in place prior to further consideration for simplification of the Forest Service appropriation structure through the end results budget proposal.

By assessing the current situation, the following basic conclusions are drawn:

- The Agency continues to manage its financial affairs with a less than satisfactory financial information system.
- The Agency has too few financial experts.
- The Line Officer corps lacks training in managerial financial management which is critical to a group charged with leading the Agency to meet state and private missions, National Forest land management and research, as well as assuring appropriate use of our financial resources.

**Attachment 1**

**Short-Term Fund Control Problems 1/**

1. Financial management is not given appropriate emphasis by top management.
2. Authority to vary from specific allocations and congressional direction is not clear.
3. Reprogramming guidelines need to be clarified for FY 1990.
4. Direction on financial management must be clarified and consolidated to be an efficient guide. Current direction is not followed.
5. Confusion is apparent regarding the precedence of the Appropriations Act related to forest plans and budget proposals.
6. In depth financial reviews and monthly monitoring are not done to an adequate standard.
7. Financial management is not a key factor in performance reviews.
8. Accounts maintenance is poor, quality control at NFC is inadequate and actions are often untimely.
9. Staffing and training are not adequate.

1/ From work done related directly to identifying causes of the FY 1988 deficit. A number of actions have been taken to address these problems. Many actions are ongoing.

## **Attachment 2**

Excerpt from Barrier Group  
Indicators of Current Situation 1/ 2/

### **Knowledge/Training**

- Requirement for diverse financial information creates complexity and requires a trained workforce which is not currently available.
- Lack of understanding among line officers about legal limits on use of appropriations.
- Lack of knowledge about available information.

### **System/Operations**

- Current system is so complex, experts have trouble understanding it.
- System does not provide accurate, meaningful, and timely information.
- System allows poor practices, such as overstating available funds.
- Funds are not budgeted where needed, leading to fund shortages, reprogramming requirements, mischarges, etc.
- Cumbersome procedures
- Lack of up-to-date financial statements for the last 2 months of the fiscal year
- Lack of quality control
- No mechanisms in system to warn of critical errors
- Tie between MAR and performance rating is weak
- Constantly changing systems

### **Attitudes**

- Lack of interest and accountability among managers
- Lack of commitment among managers and the financial organization
- Misunderstanding about what degree of financial risk-taking is reasonable
- Assignment of low-level people without aptitude or formal training for the job
- Mixed messages from top management regarding the importance of fiscal responsibility
- No willingness to hold managers responsible for fiscal results

- 1/ Rephrased in some instances
- 2/ Selected from a large number of specific barriers identified by the task group

- 1/ Rephrased in some instances**
- 2/ Selected from a large number of specific barriers identified by the task group**

**Attachment 3**

**Findings of OIG Audit of Forest Service 1/  
Monitoring of Deficit Unobligated Balances**

**Findings**

**Forest Service financial management controls were not sufficient to preclude Anti-Deficiency Act violations. Specific examples include:**

- Inaction by Forest Service managers and budget officers to restrict obligations to allocated amounts
- Ineffective accounting system controls
- Complacency with individual unit deficit balances
- Removal of material internal controls
- Noncompliance with internal control procedures
- Inadequate follow-up on program reviews

**Accounting errors and procedural deficiencies, such as those listed below, resulted in deficits at selected accounting centers.**

- Understated unobligated balances potentially reduced funds available for return to the U.S. Treasury
- Difference between budgeted funds and actual allocations caused some deficit balances
- Prior years expenses paid when no corresponding obligation had been made in the prior year appropriation account
- Simple over obligations by FS units caused some deficit balances
- Delays in clearing internal fund transfers and reimbursable costs from unit accounts resulted in increased accounting system costs. Specific delays included:
  - Internal Forest Service transfers (311. not cleared)
  - Reimbursable charges for Senior Community Service Employment Program not cleared.

1/ Principally limited to fiscal years 1986 and 1987, but did address the FY 1988 deficit. Date of report is September 26, 1989. Forest Service responded in general agreement with most of the findings on August 31, 1989.

## Desired Future Condition

We:

- understand how to use financial information.
- have knowledge, skills and abilities to produce accurate, timely and useful financial information.
- have a common understanding of financial terms, purposes and uses.
- have the ability to use current technologies to access and display financial information in useful ways.
- have the capability to respond to work demands and to adjust priorities.

### **Integration**

Forest Service financial management specialists and decision makers work together in partnership to enhance our mission of "Caring for the land and serving people."

Together we:

- identify specific information and analysis needs.
- evaluate and prioritize quality uses of financial management information.
- anticipate emerging issues and opportunities.

### **Management Responsibility**

Forest Service decision makers value good financial information and related analysis as an integral part of their responsibilities.

They:

- use financial information in decision-making.
- value financial integrity.
- are accountable for the financial implications and results of decisions.
- decide on financial information requirements.

### **Financial Leadership**

Forest Service financial managers and specialists have pride in their profession, demonstrated by their proactive leadership and application of common sense.

They:

- provide leadership and direction for the financial management program.

- give priority to customer relations.
- are responsive to customers and care about their needs.
- use technology to enhance the quality of the information provided.

# **Identification of Barriers**

- give priority to customer relations.
- are responsive to customers and care about their needs.
- use technology to enhance the quality of the information provided.

# **Identification of Barriers**

## **IDENTIFICATION OF BARRIERS**

A cross section of Forest Service employees provided input about what they believed to be barriers in reaching excellence in financial management for the Forest Service. A number of Forest Service reports were reviewed to seek out other barriers. An 18-page listing of over 300 items of input is available for review (see Appendix). Some barriers are real and some are perceived. Both require attention as the Forest Service moves toward excellence in financial management. The following is a summary of some of the barriers identified in three broad categories.

**Knowledge:** There has been a significant turnover of Forest Service employees in recent years in key financial management positions. There is no pipeline of trained and knowledgeable people waiting for more responsible in Forest Service financial management. Forest Service directives that describe systems and procedures are dated, consequently there is no accurate documentation for new or inexperienced personnel. Smaller staffs have caused those persons remaining to have time only for the immediate job. Employees do not know or understand the link, if any, between the Resources Planning Act, Forest Land Management Plans, Program Budgets, Congressional Appropriations, and direction and accounting for funds spent. Financial managers are confused about the need to process reprogramming requests versus charging as worked. There is a lack of understanding by Forest personnel on how to administer internal controls. There is not enough time or skilled personnel available to do financial management analysis for the line officer. Most people at the Forest and District levels do not have time to do anything extra in terms of advising management of financial implications to the decision-making process. Management personnel do not know what financial management information is available, how to ask for it, or what to do with it if it is provided. Most financial managers do not know how to request FOCUS reports. There is not a clear understanding about the responsibility between line and staff in the use of financial information. Line officer accountability is not well defined in the appropriation/ allocation process or in accounting for taxpayer dollars spent.

Forest Service employees must work with complex systems and procedures. We have little control over these systems, as most are dictated by the Congress, external agencies, and the Department. The Forest Service does not maintain a cadre of financially trained and experienced personnel on site at the USDA National Finance Center to provide advice and assistance in systems development, documentation, and problem solving. Procedures are cumbersome; data is not available in a timely manner and is not always accurate. Breakdowns in the telecommunication system, changes in software at critical times, Data General systems being brought down or "crashing," create frustration and negative opinions about how well the Agency's financial management system works and whether others care. The GAO does not believe our costs are accurate because they are not charged as worked. The Forest Service has reduced the number of skilled accounting personnel through cut-backs. Overall reductions in Forest Service staffing levels have left us able only to do the highest priority, directive mandated, tasks. Parochialism within the Forest Service is not uncommon as people shepherd program special interests throughout the financial management process. The Forest Service does not have any one person who is organizationally responsible for the financial management system. No one is responsible, other than the Chief, to guide the system toward cost effectiveness in collecting, processing, and managing financial data. Chief's Office Staff

Directors who are responsible for parts of the Forest Service financial management system do not meet regularly to ensure field units receive clear and understandable direction. Career progression opportunities are not clear for those who work with the financial management systems at local levels. Many people at the local level who work with the financial management system are under-graded and underpaid.

**Attitude:** There is a "Who cares?" attitude about how the financial management system works and what it costs. There is lack of accountability for results. In other words, "Who cares? We have a lot of other work to do." Nobody seems to be responsible. There is a general attitude that financial data is not accurate and that accuracy is not very important. "Just let me do the job I was trained/educated to do," is an opinion expressed by resource managers. "Financial management is not my job," is another apparent attitude. Some employees believe that Forest Service top management cares only about not overspending total budget. The meaning of the message on risk taking is not clear and is being intentionally misinterpreted by many people to justify what they are doing.

# Current Operations

## CURRENT OPERATIONS

### Financial Management Principles

The Forest Service can move closer to excellence in financial management by following these principles:

1. Comply with the rules of GAO, Treasury, OMB and Congress.
2. Manage and live within allocations.
3. Request approval to shift allocations.
4. Accounting records will be timely, accurate and reflect charge-as-worked.
5. New initiatives must address funding implications.

### Monthly Monitoring Procedures

National review of financial information objectives:

1. Assure all funding authorities have been distributed in units.
2. Identify "red flags" to use for alerting units of possible problems.
3. Monitor yearend funding balances to identify possible shortages and surpluses.

The following actions describe the steps needed to meet the above objectives:

1. Obtain national fund control report
2. Compare operating plans to authorities in PBMI and follow-up letters, such as reprogramming, midyear, or supplementals. (Operating plans should equal sum of authorities or differences should be explainable.)

Comparisons done by:

- a. national totals for each Treasury symbol
- b. totals for each Treasury symbol for each unit
- c. national totals for each fund code
- d. totals for each fund code for each unit

3. Compare reimbursements to apportionment authorities. (Apportionment authorities should equal or exceed collected reimbursements.)

Comparisons done by:

same as 2. above

4. Determine what complete reporting would require and how reasonable it would be to achieve. It will be more achievable if there are no dramatic changes from historical amounts and no decreases from previous months.
5. Project obligations for the quarter and yearend. Projections made are straight line and adjusted by apportionments or adjusted by previous trends. (Projected obligations should be within guidelines.)

Projections done by:

same as 2. above

6. Review Treasury symbol records for potential errors. (Accounting records will indicate activity even if account is not available to unit.)

#### **Directions to Units**

The following are previously published directives:

November 23, 1988

1. Describe reasons for deficit;
2. Describe corrections to accounting records and reasons for errors;
3. Describe actions to prevent future deficits;
4. Cancel undelivered orders or correct obligations.

March 15, 1989

1. Enter operating plans within 30 days of receiving budget authorities; update operating plans to reflect Reprogramming or allocation adjustments;
2. Enter obligations monthly;
3. Establish review process to examine all Treasury accounts monthly;
4. Request apportionment authority for recovered obligations;
5. Request apportionment authority for anticipated reimbursements;
6. Follow reprogramming guidelines.

#### **Milwaukee meetings**

1. Avoid deficits;
2. 43's will be done by mainhead and units will enter amounts by fund code following the allocations in the PBMI.

# Information Component

## INFORMATION COMPONENT

Information is one of the five major conditions needed to achieve excellence in financial management for the Forest Service. It is clear that financial information must be reliable, consistent, usable, readily available and responsive to customer needs. To this end, a team made up of District, Forest, and Regional line officers; Regional program officers; financial managers from Regions and the Chief's Office, gathered at the National Finance Center to evaluate the current situation, identify future needs, and develop recommendations. Members of the Department's Administrative Information Management Systems staff provided valuable input about administrative information processes planned for the future.

Financial management is built around information. To what degree the Forest Service excels in financial management depends in large measure on the quality of the financial information that we are able to obtain, interpret, and use. Accurate financial information is the cornerstone of excellence in financial management.

During the 1960's, financial information was evolving from a manual environment of ledgers and accounts to the automated, and later, electronic eras. Along with this new technology the Agency began to accumulate statistical data in a number of data bases, (Service-wide as well as Regional or local) to satisfy questions from the public. At that time financial data was still mostly kept via a paper reporting and statement basis.

The real change toward more efficient and reliable information came with the passage of the Renewable Resources Planning Act in 1974, and was further amended by the National Forest Management Act in 1976. These two laws were a driving force for the Agency to devise integrated information systems that were consistent and reliable. Thus the implementation of data bases such as FORPLAN & PAMARS in the early 1970's. These systems were burdened with continued changes, updates and additions until they became too complex and unstructured for managers to use. At that time a national effort was completed to devise a system of information code accounts and definitions used currently for resource, as well as financial information needs.

However, because technology has and will continue to change rapidly, many Agency people believe that the information era may pass us by. New and innovative software, some currently available and some yet to be created, will be needed to keep our public informed (i.e. Oracle/AIMS). Rapid prototyping of new and existing processes, as well as new requests for resource unit cost data, place an increased demand on information availability. Agency decisions are sometimes made without consideration of the financial consequences because much information is not immediately available to managers at all levels of our Agency. It is now time for the agency to review, and if necessary, revise the process and systems used for information gathering.

The following assumptions were used in identifying future needs and developing recommendations:

- Congressional direction and changing regulations will dictate a continuum of new financial information requirements.
- Internal demands for information will increase at a faster rate than in the past.
- Competition for federal funds will require that managers at all levels have immediate access to and effectively use financial information.
- The Forest Service will be operating in an electronic environment characterized by competition for computer system time and space from a variety of system applications.
- All management information (resource, administrative and financial) will be in a corporate data base supported by a common data dictionary and linked through the use of "Oracle" type software.
- All administrative activities, including financial operations, will be integrated through the use of a single entry data system (AIMS).
- All financial information will be created, managed, and presented in accordance with General Accounting Office principles and applicable laws.
- Each of the bits of financial information must have ownership. That is, someone must be clearly responsible for the data, its accuracy, its timeliness, and its accessibility.
- Data will be located and reside where it is most efficient and effective. This may not necessarily be where it originated.
- Originators of data will understand how it is to be used by others, in addition to how the originator will use it.

Purpose and Need: The following statements describe basic information management conditions necessary to meet our objective of excellence in financial management.

- The Forest Service needs central clearinghouse control over data standards, structure and reporting requirements.
- Information must be timely, accurate, and accessible to all users.
- Forest Service managers must understand and have access to financial information.
- Subject matter specialists need data analysis capability and knowledge of how data is organized and structured.

As the Forest Service moves into a corporate data base, there is an increasing need to develop a data dictionary containing a common, clear set of data definitions. An information atlas is also needed to explain common data aggregations in order to produce information that is consistent and relevant.

**Recommendations:**

Create an authoritative corporate financial (or financially related) information clearinghouse and approval point above the staff level. An intolerable burden can be placed on those responsible for data gathering and preparation as delegated to a staff group like that currently functioning in the Washington Office. Staff and line managers need to take part in and understand the information process.

Refine existing information requirements. It is critical that there are clear definitions and standards for all financial data elements, and these definitions are used throughout the Service. Standardized, clear data definitions provide the foundation for accurate data. A great deal of work has been done in past years on this. We should build upon this past, make changes and clarifications as deemed necessary, and move on. There is no need to develop a new information system from scratch. Key elements in the completion of this recommendation are the data dictionary with a clear set of data definitions and the information atlas explaining common data aggregations that produce information for decision analysis.

Locate all financial data in the corporate Forest Service data base. Financial information is an accumulation of specific bits of data, pulled together in a variety of different ways, depending upon the needs of the user. Each of these bits must exist only once in the entire Forest Service. If it exists in a number of different places, and can be modified independently in each place, it is possible that each of these bits of data will be different. While these bits of information need to exist only once, they must be readily available to all who have need for them.

Maintain Forest Service financial and financially-related information as an integral component of the accepted corporate information management architecture. All such information should be incorporated in the Forest Service data base management system. The Forest Service should exercise leadership in the testing and implementation of the USDA-NFC Administrative Integrated Management System (AIMS).

## **Appendix**

### **Background on Need for Authoritative Clearinghouse**

James Martin, information guru-renown in his book Strategic Data-Planning Methodologies, points out:

"Top management has got to understand what's going on and how it affects the future of the organization. If you don't have somebody at the top pulling the pieces together....you might as well have an orchestra with everyone playing a different symphony" (page 5..

This is not new to the Forest Service. It was one of the reasons the Systems Development Review Team of the early 1970s recommended the organization establish the Systems Coordinating Council (now defunct). This was again recognized in the Forest Service's National Systems Management Review Report in 1983.

Martin goes on to report that the best of plans are destroyed by corporate politics. That information management improvement .."plans to create political problems, often severe ones, and various factions will oppose.." (Page 6.. In addition Martin makes the point that when a technical group is in control it generally is unable to understand management's needs and wants effectively.

The System Coordinating Council failed because it evolved rather quickly to a group of technical people with technical orientation, who had good intentions and no authority. After the National Systems Management Review and the subsequent National Information Requirements Project, another technique was tried. This was to establish a review committee of Associate Deputy Chiefs. (ADCs) This worked for a time while the issue of information management reform was a high priority. After a period the initial reform measures were implemented. The group making up the ADCs was replaced by new individuals and interest waned. Gradually, decisions and recommendations on information issues drifted into technical sub-staffs not having the "horsepower" to make truly critical evaluations. Basically, the group is now relegated to "rubber stamping" all requests for additional information being made part of the system demands.

The group or individual making effective information needs decisions must be in a position of authority and must also be protected from outside influence. The ideal individual for this kind of task must know information theory, but need not be an expert in data base/system technology. In fact, it's probably best that strong systems knowledge be avoided. The individual should have strong knowledge of the organization's information systems and processes (this is usually not a computer systems specialist). The person should have an extremely thick skin and a pleasing personality. And finally, this person must report to and have the unqualified support of high level management. With this definition there is a temptation to say "Do we not have that now?" No, we do not have that now, and the reasons are lack of protection and thereby authority.

A new, or renewed, delegation of authority to the Director of Information Systems, or even to an Associate Deputy Chief, recognizing one of them as the final authority over information decisions will likely not work. As powerful

and prestigious as these two positions are, they are vulnerable to the inevitable enmity of the rest of the organization. Setting up an authoritative clearinghouse will be extremely difficult, yet it is the single-most important element in achieving a cohesive, effective financial information system.

# Organization Component

## **ORGANIZATION COMPONENT**

In order to direct our business practices, organizational structure, and recruitment and training operations towards the objectives of "Excellence in Financial Management", the appropriate tasks have been identified and logically grouped. The following describes the general areas of Financial Operations, Fiscal Management, Financial Management Training and Budget Planning and Execution. Grouping tasks in these four general areas will provide for nationwide consistency in financial management and should enable our agency to serve the public with excellence and accountability.

In light of the acceleration in technological advancement and the increasing demand for accountability, our financial management will need to be not only responsive, but should be anticipating emerging technology and issues. If we mirror the private sector to whatever degree possible, the Agency may be able to capitalize on the abundance of research and information which has made commercial accounting principles and guidelines the standard. If we are to move in the direction of such things as certified financial statements, we must begin to change and know our systems so that we can provide accurate and properly classified data. We must base our resource decisions on financial implications, as well as resource impacts and needs.

**Financial Operations** - This group includes all of the tasks relating to operating systems and reporting: accounts receivable, accounts payable, reporting, cost accumulation, property, and the maintenance and support relating to ADP financial systems. The levels of oversight and responsibility will vary depending on the level referenced (i.e. Washington Office, Regional Office, Research Stations, Forests, or Ranger Districts).

- Implement and maintain accounting systems which are operational such as the central accounting system (CAS), timber sale program information reporting system (TSPIRS), timber sale accounting (TSA) system, etc. This includes services of billing and collecting on accounts receivable, collections on claims, etc. Processing of payments for goods and services received from external sources, as well as for internal purposes for employee relocation, travel, imprest funds, etc., will be a part of this operational area. Other areas where accounts payable work is required include ADO, claims, inter-agency cost exchanges, grants and agreements.
- Provide adequate financial information to meet the needs of management at all organizational levels as well as the public through accurate and properly classified financial reports. Reports will be composed in a manner which meets the user's needs and will facilitate decision making based on financial and resource considerations.
- Cost accumulation will occur in traditional areas of financial operations, as well as non-traditional, for purposes of performing financial analysis and decision-making, data validation, systems management, and monitoring systems standards.
- Provide effective accounting controls over funds, revenue, real and personal property, and other assets.

- ADP systems support for financial management operations will involve financial systems development, support to users, training, maintenance and updates, information and technology exchange with other agencies and private industry, and technical consultation.

**Fiscal Policy** - Financial management which is not operational will be found in this group which includes policy, procedures and internal controls. The level of interpretation or policy making will vary depending on the unit level (i.e. W.O., R.O., Station, etc.).

- Maintain an awareness of new or alternative financial systems through research, analysis or special studies. Develop, test, and monitor new systems; monitor existing systems for usefulness, accuracy, efficiency and compliance with applicable principles, standards, and legal requirements. Document and deliver policy and procedures to users both internally and externally. When new or revised systems are operational, Financial Operations will operate and maintain them.
- Incident business management policy and procedures which consider the Agency's requirements as well as other agencies' policy and procedures will be provided through advice, counsel, coordination and documentation.
- Unique fiscal issues involving such areas as appropriation integrity, grants, agreements, surety programs and cost share will be resolved at the appropriate level and legal advice will be coordinated where necessary. Issues, which are not unique and may recur, will require policy if none exists.
- Emerging issues and non-routine fiscal problems will be solved through research, analysis or special studies and issue-specific resolution or new policy will be made.
- Trend analysis, economic viability analysis and financial implications of resource activities will be conducted in order to determine whether financial systems need to be changed or redesigned, or if a program needs review.
- Some of the systems used for control purposes include cost collections, fiscal liability determinations, log accountability and the whistle blowers program. Other methods of fiscal control may be designed and instituted as a result of recommendations derived from research, analysis or special studies. Current control methods will be periodically reviewed for effectiveness and changes made accordingly.
- When financial interface with external agencies, private business or industry exists, there should be assurance that federal assets are being safeguarded through audit or review of their financial records and assets. This includes concessionaires, timber cost collection, termination of contracts, cost and pricing audits (timber) and financial ability determinations.

Reviews completed by external agencies such as GAO and OIG are coordinated by this group. Actions taken as a result of identified issues are completed or coordinated by this staff.

- Management reviews of financial processes including general operations, imprest fund, internal collections, and vulnerability assessments are completed for internal control.

**Financial Management Training** - Financial management training systems will be designed and compulsory for some positions and grades. Training in the financial management area will focus on resource managers', financial professionals', and technicians' competency in several areas.

- Training in on-going operations will be offered periodically and employees will be required to complete courses in order to qualify for some types of financial management positions. Refresher or requalification courses will also be offered and must be completed in order to meet position requirements. These requirements are similar in concept to requirements for law enforcement officers, contracting officers, and firefighters.
- Employees who are not financial management professionals or technicians will be trained in managerial financial processes including operations, processes, procedures, financial-based decision making, budget execution, and fiscal rules and regulations.
- Continuing education requirements for financial professionals will be maintained through external education (e.g. colleges, universities, etc.).
- Education will be conducted for external cooperators on rules and regulations with which they must comply. This will encourage increased financial effectiveness and efficiency.

**Budget Planning and Execution** - In order to complete the financial cycle, budget planning and execution will be emphasized. This includes financial planning prior to receiving finances, budget execution activities, and financial evaluations.

- Preparation of the Program Budget and subsequent data validation, including external coordination and submission of the Agency Budget Request at the Washington level, will be completed in this group. Additionally, this group will be tasked with internal coordination of budget planning requirements and providing initial allowance advice.
- Upon approval of the budget, allocation notices, apportionment, obligation, and budget limitations must be completed. This also includes monitoring or adjusting to personnel ceilings, and performing financial reviews throughout the fiscal year. As reprogramming needs are identified, approval must be requested, and if appropriate, authorized.
- As part of the financial cycle, reporting must occur. This includes, at a minimum, completion and submission of the Management Attainment Report in order to monitor program accomplishments as compared to budget execution results.

- Research and analysis of historical data bases and trend and statistical analysis will be completed to determine if the operating budget systems are efficient, accurate, economical, and effective. Alternative budget structures should be considered when needed.
- Financial monitoring and management will be an integral part of land management plans. Costs and accomplishments will be compared with plans. The information will be analyzed and integrated into land management planning, budget planning, and execution processes.

#### **Recruitment**

There must be a concerted effort by the Forest Service to avail the Agency of the skills and abilities needed to handle financial management now and into the future.

One way to achieve this objective is to inventory the financial management skills, knowledge and attributes of current employees, then provide training and educational opportunities to enhance existing skills or provide additional skills.

Another way to increase the pool of trained financial managers is through recruitment of new employees. The Agency needs to embark on a major recruitment effort not only to replace our aging workforce in the financial management field Service-wide, but also to acquire new skills and abilities. Effort in this arena must also consider issues enumerated in documents such as Workforce 2000. The recruitment pipeline should not be limited to specialized disciplines such as accountants, but should cover all disciplines concerned with finance and financial management. The recruitment effort must also provide for a continuous pipeline of new people and new skills. The Agency cannot afford to let the pipeline go dry, as it currently is, for two very important reasons. First of all, new people are needed on a continuing basis to keep the workforce in the future from becoming grey all at once. Secondly, financial management in the electronic environment, coupled with the shrinking federal budget, demands that we be aware of the latest in skills, abilities, and knowledge being taught by colleges and universities.

In addition to identifying potential employees for recruitment activities and areas where current employee skills need enhancement, development will be critical for excellence in financial management and employee retention. The following are developmental outlines for selected positions in financial management, given available training opportunities.

1. Working Title: Accountant, Operating Accountant, Systems Accountant  
Staff Accountant

2. Series Options: 510

3. Description of duties performed in this job:

Employees classify and evaluate financial data in order to accurately record financial transactions; design, develop, install, operate or inspect accounting systems; prescribe accounting requirements; audit accounts and transaction records of both internal and external accounting systems; prepare, examine, and analyze financial data and reports; advise and assist management in accounting matters; may serve as part of a cost unit team or Finance Chief available for fires or other incidents; research and document issues related to accounting systems and policies; provide expertise in special studies, investigations, claims, reviews, etc. Provide expert advice in a variety of areas such as appropriation use, charge-as-worked, agreements, etc.

4. Career Ladder:

a. Narrative: Positions start at GS-5 and GS-7 with promotion potential to GS-9. Opportunities are available for competitive promotion to GS-11 at the Forest and Station level. At the Regional level promotion potential would be to the GM-15 Director level. With other qualifying business administration experience, promotion potential exists to the Deputy Regional Forester for business administration level.

b. Developmental Plan (T=Training, D=Detail, E=Experience)

		E-Financial ability determinations, financial analysis & reporting, budget formulation and execution, plan & implement entire accounting system for unit, advice/expertise for management, supervision of technicians and assistants.
GS-11		T-OPM-Federal Appropriations Law T-OPM-Budget Execution D-Experimental Station D-RO as systems or operating accountant working with experienced accountant(s) E-Accounting reports, systems & account analysis, consultation with management team, provide expertise/advice/guidance to techs., in acctg. syst., design/develop/operate or inspect new & current accounting systems, cost accounting
GS-9		T-OPM-Governmental Bookkeeping and Accounting II T-OPM-Practice Problems in Gov.'tl Acctg. T-OPM-Cost Accounting T-OPM-Data Handling for Budg. & Acctg. Tech. T-OPM-Intro. to Federal Budgeting D-Station/R.O. (TSA, WCF, Fiscal Svcs., timber cost, etc.) E-Timber sale accounting, WCF, accounting reports,

**Accountant - GS-510 (continued)**

GS-7 (cont'd)	timber cost collection, concessionaire audit trainee record financial transactions, prescribe accounting treatments, assist management in accounting matters.
GS-5	T-OPM-Accounting Orientation
	T-OPM-Governmental Bookkeeping and Accounting I
	T-OPM-Intro. to Voucher Examining
	T-FS-Timber Sale Accounting Workshop
	T-FS-Working Capital Fund Accounting Workshop
	E-Central accounting operations, voucher examining, budget analysis and reporting, timber sale accounting, special use permits

1. Working Title: Accounting Technician

2. Series Options: 525

3. Description of duties performed in this job: Performs the work necessary to insure that the operating accounting systems are utilized and verifies that the output is accurate. Duties typically include: classifying and entering accounting transactions to the appropriate accounting system; maintaining, balancing or reconciling accounting records; examining accounting records to verify accuracy; making appropriate adjustments and special entries; preparing and verifying accounting statements and reports; and performing prescribed compilation and analysis of accounting data and reports.

4. Career Ladder:

a. Positions usually begin at the GS-4 level with probable promotion to GS-5 or GS-6. Positions at the GS-6 and above are usually supervisory or highly specialized. Promotion potential at the Station/Regional level is to the GS-12 level in the GS-501 series for those who choose to bridge into this series with applicable GS-525 experience. Conversion to the professional accountant series for further promotion in accounting requires formal education which may be supplemented with professional accounting experience in order to qualify.

b. Developmental Plan (T=Training, D=Detail, E=Experience)

GS-7

T-At this point, employee should be up to speed on operational systems technically and begin to learn accounting theory and consider education if interested in carrying the accounting career to the professional level.

Accounting Technician - GS-525 (continued)

		T-OPM-Data Handling for Budg. & Acctg. Tech. T-Basic/Advanced Supervision E-Orientation to NFC systems/sub-systems E/OJT-Performance appraisal, employee development planning, personnel transactions in position management (advertising/filling jobs, awards, disciplinary action, etc.).
GS-6		T-OPM-Governmental Bookkeeping II T-OPM-Practice Problems in Governmental Accounting E/OJT-Analyze, classify, code, verify output for obligation & collection transactions to various operating accounting systems, request and review reports as scheduled or requested, understands accounting system such that fiscal integrity is maintained as to appropriations, funds, etc. for routine transactions.
GS-5		T-OPM-Accounting Orientation T-FS-TSA, WCF, Travel, Special Uses, etc. as applicable for the specific position
GS-4		T-OPM-Governmental Bookkeeping & Acctg. I E-Learn and perform data entry for accounting systems used on unit with supervision and guidance, validate data entered and maintain accounting records and reports, learn to review source documents for completeness and compliance with requirements (i.e. invoices, stumpage billing, special use fees, travel vouchers, T&A's, etc.), maintain documentation of various accounting documents and learn basics of the central accounting system, WCF, TSA, TSPIRS, general Forest Service policies, regulations, etc.

1. Working Title: Budget and Accounting Officer, Budget & Finance Officer, Budget Analyst, Accounting Officer
2. Series Options: 501, 510, 560
3. Description of duties performed in this job: Develops and formulates the unit budget ensuring requests comply with policy. Monitors budget execution/obligation and advises management on status/availability of funds. Provides trend analysis and expert consultation to management on budget and accounting policies and procedures. Directs the establishment and control of operating plans and expenditures, including certification of payments and related documents. Directs the maintenance and processing of accounting records. Compiles data for budgeting and accounting analysis and control. Provides direction and advice in the preparation of a variety of accounting reports for unit and upward reporting purposes. Provides advice on legality of appropriation use, charge-as-worked, agreements, etc.

4. Career Ladder:

a. Narrative: Entry may be at the GS-5 level for trainee type positions. The entry level for journeyman B&F officer positions (Budget and Accounting Officer or Budget and Finance Officer) would be GS-9. Promotion potential at the Forest level for either entry level would be to the GS-11 level or GS-12 if the Forest Administrative Officer is GS-13. At the Regional level promotion potential is available to Director, GM-14, and with other qualifying experience to the Deputy Regional Forester for business administration. Promotion potential at the Station level is to the GS-12 level.

b. Developmental Plan (T=Training, D=Detail, E=Experience)

		E-Same as 9 and 11, except that unit program and/or staff size is more complex or larger than that which would be expected at the lower grade level.
GS-12		E-Serves as financial advisor to the unit management team in all aspects of budget and accounting. Coordinates budget and accounting to the extent required for effective integrated management for overall excellence in financial management. Makes interpretations and decisions in applying laws, regulations, & policies to solve a wide variety of fiscal & bus. mgmt. problems.
GS-11		T-OPM-Federal Appropriation Law T-OPM-Advanced Supervision T-Certifying Officer Training D-RO, working with experienced certifying officer D-In Budget Operations for developmental purposes at Station level T-Claims
GS-9		E-Having a strong technical background in accounting systems employee at this level begins to understand policies, laws, Acts, etc. which pertain to budget and accounting. Work with management team in program planning, budgeting, reprogramming, reporting, so that goals and objectives can be converted into dollars, manpower, equipment, supplies and output with economic efficiency. Ensures that budget and accounting systems are maintained by directing, supervising and training technical budget & accounting staff in routine operations and provides trouble-shooting knowledge in either budget or accounting areas as needed.  Training and experience below the GS-9 level would be comparable to the Accounting Technician position at the same grade levels PLUS the Budget Analyst position for the same grade level for developmental purposes, or training for GS-5 entry level Accountant.

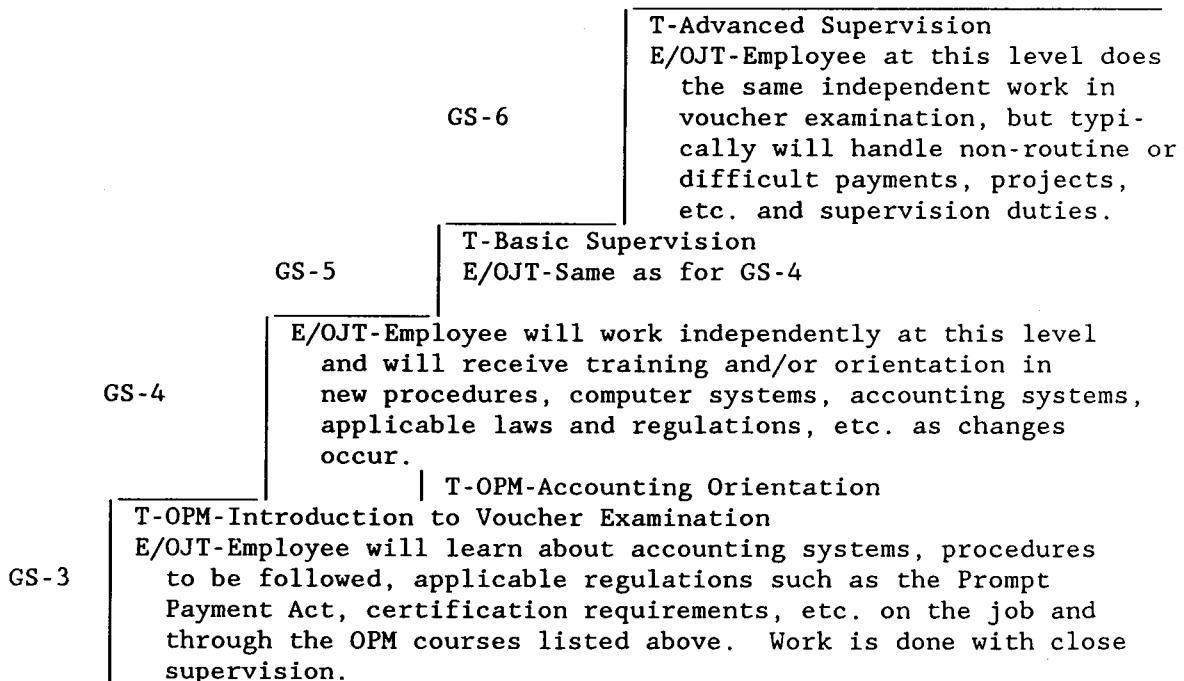
1. Working Title: Voucher Examiner
2. Series Options: 540

3. Description of duties performed in this job: Examines various kinds of payment documents (e.g. voucher, invoices, claims, etc.) for accuracy, legality, compliance with regulations, justification and authorization. These documents are requests for payment for goods and services provided to the unit; for expense reimbursement (i.e. travel, training, transportation, etc.) and for other related transactions. The employee must code the appropriate data from the source documents for entry to the electronic system and validate or correct errors which may result. Employee must understand the accounting systems used and account structures, for appropriate charging of certified payments to the correct appropriation, fund, etc.

#### 4. Career Ladder:

a. Narrative: Trainee positions may start at GS-3, with possible career promotion to GS-5. Supervisory Voucher Examiners are usually GS-5 or 6. Employees interested in financial management may elect to continue their career into other areas including Accounting Technician (GS-525., Budget and Accounting (GS-501, 504, 560) or Accountant (GS-510). If the employee elects to move into other career paths in order to progress past the GS-6 level, career advancement may go to GM-15 at the Regional level or to GS-12 at the Station/Forest level depending on the job series selected.

b. Developmental Plan: (T=Training, D=Detail, E=Experience)



1. Working Title: Resource Clerk, Resource Officer

2. Series Options: 1101

3. Description of duties performed in this job: As a resource clerk the employee performs business management tasks related to timber sales, special use and other permits, personal woodcutting permits and other areas not related to procurement and other non-resource related financial areas. This includes processing of timber sale contracts from bid, award, and system initial entry, through the life of the contract relating to collections, modifications, etc. to audit and closure. Permits and other resource related financial management areas are processed through appropriate accounting systems, documented and adherence to regulations, policy and procedure is maintained as applicable. The Resource Officer, in addition to directing, supervising, and training the resources staff who complete above listed duties, will provide expertise through interpretation of laws, clauses, policy, etc., and installs or initiates new systems for resource financial management. Resource officer also provides management with expertise and advice concerning resource financial management and performs trend analysis and research within their functional area.

4. Career Ladder:

a. Narrative: Entry as a Resource Clerk is usually at the GS-3 level with promotion to the GS-5 level. Promotion is possible to the GS-7 level and then to the Resource Officer career area. Employees in the 1101 series may acquire experience which qualifies them for the Accounting Technician (GS-525. career path and may elect to bridge into that technical area. Promotion potential exists to the GS-11 level as Resource Officer, with potential for higher grades in different financial management series if the employee bridges into series such as 501, 560, etc. Employees wishing to leave the clerical or technical series in financial management should refer to the Accountant outline for job description and qualification requirements for this professional series.

b. Developmental Plan (T=Training, D=Detail, E=Experience)

GS-11	<p>Employee at this level is now competent at the duties learned at the GS-9 level and is responsible for the direction, oversight, and completion of work in the resource financial management area.</p>
GS-9	<p>T-OPM-Advanced Supervision T-Timber Sale Contract Law E-Same as for the GS-7 level, except that at this level the employee is no longer performing clerical work and provides management with resource financial management (RFM) expertise. Performs research and makes recommendations to management in RFM.</p>

Resource Clerk, Resource Officer (continued)

GS-6, 7	<p>T-OPM-Basic Supervision T-NFC Systems and Subsystems Orientation T-FS-Timber Sale Appraisal Workshop E-Employee may direct and supervise resource financial management staff, troubleshooting problems and non-routine procedures as needed. Reporting and reconciliation of TSA with CAS is done at this level.</p>
GS-5	<p>T-FS-Same for GS-3 or 4, TSA Workshop T-FS-Special Use Permit business and financial management E/OJT-With close supervision at the entry level, employee should be processing new timber sales or permits and perform the accounting cycle procedures relating to billing, etc. Employee should be familiarized with timber sale contract and clauses, accounting system, audit and closure.</p>

## RESOURCES USED:

- \* Federal Financial Management Systems - Core Financial System Requirements (JFMIP, 1/88.
- \* Organizational Proposal (Rough Draft) - W.O. (Jim Turner, 9/89.
- \* R-5 Proposed Reorganization of Fiscal, Accounting and Law Enforcement Regional level
- \* R-5 Organizational Proposal for Forest level Budget and Accounting (9/89.

## FINANCIAL OPERATIONS

1 - Doing  
2 - Oversight

TASKS	WO	RO	STATION	FORESTS
<b>ACCOUNTS RECEIVABLE</b>				
Billings	1, 2 1, 2 1, 2 1			
Collections	1, 2 1, 2 1, 2 1			
Aging	1, 2 1, 2 1, 2 1			
Reporting	1, 2 1, 2 1, 2 1			
Credit Card	1, 2 1, 2 1, 2 1			
Claims	2 2 2 1			
<b>ACCOUNTS PAYABLE</b>				
Payments and Disbursement				
for Goods and Services	2, 1 2, 1 1 1			
Advances, Loans and Grants	2, 1 2, 1 1, 2			
Credit Card Coordination	2, 1 2, 1 2, 1 1			
Relocation/Travel	2, 1 2, 1 1 1			
ADO	2, 1 2, 1 - 1			
Interagency Cost Exchanges	2, 1 2, 1 1 1			
Claims	2 2 1 1			
Imprest Funds	2, 1 2, 1 1 1			
Grants and Agreements	2 2, 1 1 1			
<b>REPORTING</b>				
Internal Reporting	2, 1 2, 1 1 1			
-Field Coordination				
-Info. Quality Control				
External Reporting	1			
<b>COST ACCUMULATION</b>				
WCF Accounting	2, 1 2, 1 1 1			
Timber Sale Accounting	2 2		1	
TSPIRS	2 2 1			
All Resource Accounting	2 2		1	

FOCUS/CADI/CAS/ORACLE	2, 1	2, 1	1	1
LMP Financial Monitoring/Mgmt.	2	2		1
Financial Analysis/Info. Util.	2, 1	2, 1		1
-Information/Systems Analysis				
-Report Development				
-Utilization and Retention				
Financial Data Validation				
-Accuracy Reviews	2, 1	2, 1	1	1
-Info. Contact Assessment	1	1		
-Compliance with Data Gathering Standards	2	2	1	1

#### FINANCIAL OPERATIONS (Cont'd)

1 - Doing  
2 - Oversight

TASKS	WO	RO	STATION	FORESTS
-------	----	----	---------	---------

#### COST ACCUMULATION (cont'd)

Financial System Management				
-System Development and Support	2	2, 1	1	1
-NFC Coordination	1			
-Annual Yearend Financial Program Coordination	1	1		
-External Financial Inst. Coord.	1		1	

Financial System Standards				
-Financial Info. Standards	1	1		
-Financial Reporting Standards	1	1		
-Manuals and Handbooks	1	1	1	1

#### GENERAL

Real Property	2	2	1	1, 2
Personal Property	1, 2	1, 2	1	1, 2

#### ADP FINANCIAL SYSTEMS SUPPORT

Systems Development	1, 2	1, 2	1, 2	1, 2
Computer Support for Fin. OPs.				
-Technical Support Services				
--Installing Software	1, 2	1, 2	1	1
--Interfacing with Existing Sys.	1, 2	1		11
--Systems Integration to Management Support Systems	2, 1	1	1	1
-Training and User Support	2, 1	1	1	1
-Documentation	2, 1	1	1	
-Maintenance/Updates	2, 1	1	1	1
-Hardware & Software Analysis	2, 1			

Information & Technology Exchange 2, 1 1 1 1

Technical Consultation Support 2, 1 1 1 1

#### FISCAL MANAGEMENT

1 - Doing  
2 - Oversight

TASKS	WO	RO	STATION	FORESTS
-------	----	----	---------	---------

#### FISCAL POLICY AND PROCEDURES

##### Financial Policy Dev. and Analysis

-Appropriation Integrity 1/2 1/2 1 1

##### -Grants and Agreements

    Financial Management 1 1 1 1

    Fiscal Advice/Legal Coord. 1, 2 1, 2 1, 2 1

    Legal Coord. 1 1

    Financial Info. Coord. 1 1 1 1

    Advisory Reports & Consultation 1 1 1 1

    Surety Programs (Bonds) 2 1

    Financial Operations Procedure 1, 2 1, 2 1 1

##### --Other Fed. Agencies and

    External Organizations 1 1

    Special Studies 1 1 1, 2 1

##### Incident Business Mgmt. Support

-Interagency Coord. 1/2 1/2 1

-Interstaff Coord. 1 1 1

-Advice and Counsel 1 1

#### AUDIT/INTERNAL CONTROLS

##### Controls

-Cost Collections and Analysis 2 1

-Fiscal Liability Determinations 2 1

-Log Accountability 2 1 1, 2

-Whistle Blowers 2 1 1 1

-Fin. Coord.-Fee Syst. 2 1 1

##### Reviews and Audits

##### -External

    --Concessionaire Audit 2/1 1 1

    --Cost and Pricing Audits 2/1 1

    --Contract Termination 2/1 1

    --Analysis Report 2/1 1 1

##### -Internal

    --Management Reviews 1 1 1

    --GAO Coord. 2 2 2

    --OIG Coord. 2 2 2

    --Vulnerability Assessments 1, 2 1, 2 1 1

##### --Coord. of Resource

    Prog. Rev. 1 1 1 1

--Imprest Fund 1, 2 1 1  
--Internal Collection 1, 2 1

FISCAL MANAGEMENT (Cont'd)

1 - Doing  
2 - Oversight

TASKS	WO	RO	STATION	FORESTS
-------	----	----	---------	---------

AUDIT/INTERNAL CONTROLS (cont'd)

Analysis

-Contract Viability Economic Analysis	1 1 1			
-Data or Program Analysis	1 1 1	1	1	
-Develop and Monitor Financial Internal Controls	1, 2 1, 2 1		1	
-Trend Analysis				
--Contract Fraud	1 1	1		
-Fin. Implic. of Resource Activ.	1/2	1		1

FINANCIAL MANAGEMENT TRAINING

1 - Doing  
2 - Oversight

TASKS	WO	RO	STATION	FORESTS
-------	----	----	---------	---------

TRAINING AND USER SUPPORT

Financial Professionals and Techs.				
-Operations--Process, Procedures	1, 2 1, 2 1		1	
-Systems	1, 2 1, 2 1	1		
Rules and Regulations				
-External Cooperators	1 1		1	
-Continuing Education	1/2 1	1	1	

BUDGET PLANNING AND EXECUTION

1 - Doing  
2 - Oversight

TASKS	WO	RO	STATION	FORESTS
<b>FINANCIAL PLANNING</b>				
Program Budget	1,2	1,2	1	1
Data Validation	1	1	1	1
External Coordination	1	1	1	1
Agency Budget Request	1			
President's Budget Request	1			
Internal Coordination	1,2	1,2	1	1
Initial Allowance Advice	1	1	1	1
<b>BUDGET EXECUTION</b>				
Headquarter's Budget	1	1	1	1
Allocation Notices	1	1	1	1
Apportionment, Obligation		1,2	1,2	1
Authorities, and				
Budget Limitations				
Personnel Ceilings	1,2	1,2	1	1
Financial Reviews	1,2	1,2	1	1
Reprogramming	1,2	1,2	1	1
Management Attainment Report	1,2	1,2	1	1
<b>FINANCIAL EVALUATIONS</b>				
Historical Data Bases	1,2	1,2	1	1, 2
Statistical Analyses	1,2	1,2	1	1, 2
Program/Activity Reviews	1	1	1	1
Alternative Budget Structures		1,2		
LMP Financial Monitoring	1,2	1,2		1
and Management				

#### Skills, Knowledge and Attributes

The list of skills, knowledge and attributes shown below includes a column to the left that shows the level of skill or knowledge needed according to the organization proposal for tasks in financial planning and management. All of the skills, knowledge and attributes are viewed as necessary at the Washington Office, Regional Office, Station, and Forest levels. The coding is as follows:

P = Professional (assured competence in a program area)

T = Technical (specialized skill or knowledge in a task or process)

The code shown in the column is the minimum level where the skill or knowledge should exist. If a "T" is shown, then it is assumed that a professional level of skill or knowledge would also be acceptable but not required.

#### | SKILLS |

Level	General
P	Leadership
P	Managerial
P	Supervisory
T	Recruiting

P Training & Instructional  
T Analytical  
T Research  
P Written & Oral Communication

Specific

P Program Planning, Leadership, Mgmt. & Review  
P Working Relationships with other Federal, State and local agencies  
P Working Relationships with external public financial institutions  
P Designing, Reading & Utilizing Computer Generated Managerial Financial Reports  
P Financial Analysis  
P Cause & Effect and Trend Analysis  
P Monitoring Unit's Fiscal, Financial & Business Management Resources  
P Providing Advice and Counsel (i.e. Fiscal Mgmt., Financial Plng., Budget Execution, etc.)  
T Paralegal  
P Designing and Implementing Internal Control Systems  
P Developing Managerial Accounting systems  
P Developing Operational Accounting systems  
T Computer Programming and Systems Maintenance

ORGANIZATION

Skills, Knowledge and Attributes

| Knowledge |

Level

P Current Private & Government Auditing Principles, Guidelines, and Standards  
P Current Private & Government Accounting Principles, Guidelines, and Standards  
T Business Law  
T Agency Fee Systems  
T Incident Administrative Policies & Procedures  
T Computer Technology Literacy  
T Congressional Operations  
T Title VI Requirements  
T Forest Service & Department Policies  
T Agency Accounting Systems (ie CAS, WCF, TSPIRS)  
T Program Accounting System framework  
T Computer and Financial Systems  
T NFC Systems and Subsystems  
P Managerial Accounting  
P Operational Accounting  
P Financial Reports  
T Laws and Rules (relating to Grants, Agreements, Trust Funds, Surety Documents, Appropriation Use, etc.)  
T Fiscal integrity and propriety in expenditure of funds

### | Attributes |

Business-minded  
High Ethical Standards  
Flexible  
Responsive  
Proactive (to management, analysis, advice,  
supervision, etc.)  
Innovative  
Professional Public Servant  
Entrepreneur  
Dedicated  
Enthusiastic  
Progressive Thinking

# Training Component

### **Program Managers**

At the program management level, employees might receive a minimum of 1 week's training per year. The staff member should already have taken, and have a working competency of, many of the technical courses such as 1900-4 preparation (PWPS) and computer applications such as spreadsheet and data tables. Technical training should continue and is necessary for maintaining and updating proficiency; however, this level also requires management and supervisory quality assurance skills obtained through courses in advanced supervision, managerial leadership, and basic financial decision making.

### **Line Managers**

Training and educational opportunities for line management focus on managerial and leadership skills. To ensure success, a minimum standard of competency in using financial tools by managers should be set by the Chief. Completion of financial management training should be made a critical selective factor for promotions to positions at GM-14 and above. We must emphasize developing skills in decision making, financial planning and organization. Additionally, we must emphasize the relationship between land management and strategic planning, and the use of financial information to evaluate the efficiency and economy of resources used. This would be a continuing education program for managers to maintain competency as programs shift and technology advances. Senior managers should obtain additional knowledge of various financial management concepts and public policy issues and trends by attending courses specifically designed for this purpose.

### **Training Options**

There are three basic avenues which the employees needing financial management skills can pursue in achieving their developmental goals. These are: formal internal training, formal external training, and on-the-job training.

#### **Internal Training**

Formal internal training concentrates primarily on developing the specific skills necessary to perform financial management work and the more general skills needed throughout the Forest Service. Specifically, internal training bridges the gap between formal education (and experience) and the general tools of budgeting, operating, evaluating, and decision making needed to do Forest Service management work.

Formal internal training need not be limited to classroom training. Video self-instruction, computer tutorials, and other self-paced instruction are all valid methods of financial skill delivery.

#### **External Training**

Formal external training and outside professional development activities, offered by professional organizations, educational institutions, and other federal agencies are available for employees to further their knowledge, skills and abilities in financial management or managerial/leadership competencies.

The emphasis on professional achievement in financial management will vary depending on the type of financial management work the employee is doing and where that person is located within the Agency. While pertinent professional development is supported by the Forest Service with monetary aid and time off to take professional examinations, the amount of aid and time off can vary.

Participation in professional societies and service as an outside speaker are also highly encouraged as a means not only for individual development but also for Forest Service representation within the financial management community.

#### **On-The-Job Training**

On-the-job training is as vital a part of an effective training program as is formal training. On-the-job training is an effective tool in developing a professional staff because it provides the opportunity to apply and reinforce, under supervision, the skills learned in formal training. One key to the success of this proposal is that formal classes be converted to job skills by active on-the-job training that applies formal training through details and other opportunities. In that respect, supervisors should realize that an important part of their responsibility is to provide development opportunities and guidance to employees. Job specific certification of competencies, peer reviews, and staff rotation should also be used to provide on-the-job training. It is important that employees receive a variety of assignments in the areas of financial management, accounting reports, budgeting, accounting policy, and other related financial management issues, particularly during the career ladder years. As employees move into program and line management roles, their focus should become more specialized so that an expertise can be developed.

#### **Financial Management Institute**

Training should not be a one-shot, quick-fix solution to our current problems but an on-going program. Therefore we propose a Financial Management Institute be established. This Institute, staffed with a team of highly qualified individuals, would develop, implement, and maintain this training plan. This can be divided into three basic segments: 1. establishing training policy and providing administrative support, 2. designing course material and presenting courses, and 3. developing professional staff and evaluating course effectiveness.

In addition to developing and offering its own courses, the Institute would maintain an inventory of training opportunities available outside of the Forest Service. It would review and evaluate the various courses that are offered outside of the Forest Service and make that information available to Forest Service units. It would be able to offer advice as to which outside opportunities are likely to be useful to Forest Service employees as part of standard training programs. It would be on call to help advise specific individuals as to which opportunities might be helpful to them as part of their own career development.

Additionally, the Institute would operate as a "Help Desk" that would be available to all organizational levels to answer questions on system operations,

procedures and processes. Further, the Institute should, through user feedback, serve as a communication link between users and the Agency's system development/NFC contact staff(s) to identify areas of needed improvement and changes.

The commitment to training in excellence in financial management will provide an opportunity for all Forest Service employees to develop and maintain the professionalism needed to carry out our mission of "Caring for the land and serving people."

#### **EXHIBIT 1**

##### **Sample Training Profile**

<b>Course #</b>	<b>Title</b>	<b>Method/Length</b>
100	New Employee Orientation	Video Tape 2 hrs.
206	Specialized Entry Level Training	Classroom 1 day
160	Budgeting in Review	Classroom 2 days
170	Project Work Planning System	Computer tutorial 6 hrs.
110	Intro. to Financial Mgmt.	Self.Inst/Classroom 2 days
319	Fed. Accntng Principles & Stds.	Classroom--GAO 3 days
117	Intro to Timber Sale Accntng	Classroom 2 days
217	Inter. Timber Sale Accntng	Classroom 2 days
317	Adv. Timber Sale Accntng	Classroom 2 days
120	Planning the Job	VideoTape 2 hrs.
222	Preparing Effective Financial Presentations	Classroom--GAO 3 days
316	Financial decision making	Classroom/desk guide 1 day
112	Requesting, Using & Reading Financial Statements	Self.Inst/NFC 4 hrs.
226	Fraud Awareness Training	Classroom--GAO 3 days

Note: This sample profile is an example of the versatility of the "building block" approach to training. This sample is not intended to describe all financial management courses that might be needed.

##### **Training Component - Consequences**

The following outline the potential consequences of not implementing the training recommendations.

Unsound decisions may result from inadequate financial management knowledge and information. We are entering a new era where financial management information will be used in making resource decisions. Quality knowledge and information must be provided to the decision maker to achieve the results that are expected of us. As federal funding continues to be tight, we must improve our ability to compete for funding. Lack of appropriate knowledge and inaccurate information will result in poor management decisions, lost opportunities and inefficient use of funds.

**Unacceptable levels of customer satisfaction and service both internally and externally** - Financial management is a key ingredient in the recipe of "Caring for the land and serving people." Internally we must provide a quality product, or our customers will not use it. Externally anything less than a quality product will only amplify current public concerns about our credibility.

**Increased potential for violations of the Anti-Deficiency Act** - Factors contributing to this will be the lack of specialist skills to operate the Financial Management system and lack of knowledge by managers to operate within approved funding.

**Increased potential for fraud, waste and abuse** - These may result both from the lack of knowledge by those committing fraud, waste and abuse and from the lack of knowledgeable advice on such situations.

**Decreasing levels of job satisfaction among employees** - Employees must feel good about the job they are doing if we are to achieve excellence in carrying out our mission. In order for them to feel good they must believe they are the best at what they do. To be the best they must be equipped with the proper knowledge and skills.

#### **Training Component - Costs**

The proposal for the Training Component is based on an idea of providing start-up funding or seed money for development costs with subsequent operational costs being financed as WCF.

Although the Financial Management Institute organizationally belongs with the Washington Office, physical location should be closer to the customer. To make the assignments attractive, cost of living and other factors should be considered. Ideally, the Institute would be close to the W.O., a Forest, Research Station, Regional Office (for example, Ashville, N.C.). Whatever location is selected, the hosting unit must accept the role of modeling financial excellence. The interaction between the Institute and the hosting unit is critical in terms of providing constant feedback on training effectiveness.

Realizing that some of our most knowledgeable people are not necessarily skilled trainers, course formulation should be done in consultation with a contractor to ensure that effective, professional training be developed. Module development must be done in concert with the customers involved, for example, a core group of Support Services Supervisors should work on development of modules appropriate for their peers. The advantages in this are two-fold: 1. insurance that the training modules would be relevant and 2. instituting a training development system that maximizes working knowledge and training of these core development groups.

### **Development Costs**

Employee Costs (includes 3 financial specialists, clerical support & costs associated with core user expertise)	\$300,000
Space (training center development)	\$100,000
Host unit excellence development	\$ 50,000
Training development contract	\$100,000
TOTAL	\$550,000

### **Outyear Costs**

Although subsequent years' costs may not diminish greatly, the costs would shift to actual course instruction, maintenance and the Help Desk. Using the revolving fund financing principle, the Institute would establish user rates to recover costs. Providing consistent, quality training Service-wide will redirect funds currently spent on training that is often ineffective. With that in mind, training costs should decrease each year down to a maintenance level.

Because an integral part of the plan includes job certification for certain positions, it is necessary to include training costs in employee cost planning just as employee benefits are included in employee cost planning. While it is impossible to precisely determine costs for each employee because of the variations of employee development needs, we can estimate that if 10,000 employees receive some type of training each year, delivery of the this training could average out to \$50/year per employee.